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ESTABLISHED 1887



Pravda, once the mouthpiece of the Soviet Communist Party and banned last month after the suppression of the parliamentary uprising, reappeared Tuesday. Page 7.

Gorbachev for President? Wait and See, He Says

By Serge Schmemmann... MOSCOW — If he did sense an "unquenchable desire" to return to active politics, Mikhail Gorbachev insists...

U.S. and China Act To Improve Ties

Aspin Calms Tokyo Fears On Defense Military Links Resume After 4-Year Freeze

By T.R. Reid... TOKYO — Defense Secretary Les Aspin on Tuesday sought to allay Japanese concern about the Clinton administration's idea for a new Japanese missile-defense system...

Foreign Lobbyists' Best Friends: American Businesses

By Stephen Engelberg and Martin Tolchin... WASHINGTON — Grant Bennett leads one of the last American companies that make a truly but essential organic part for computers and advanced weapons systems...

Taba Talks Hit Impasse Over Troops Issue

By Clyde Haberman... JERUSALEM — Negotiations between Israeli and the Palestine Liberation Organization ran into their first big obstacle on Tuesday...

A 'Fluent Capacity' to Lie Prosecutor Lays Out Case in Boys' Trial

By William E. Schmidt... PRESTON, England — They are children, two pudgy 11-year-old boys in neat haircuts, ties and starched white shirts...

Kiosk Kollek Loses Election in Jerusalem

JERUSALEM (Combined Dispatches) — Ehud Olmert of the rightist Likud Party defeated Teddy Kollek, Jerusalem's mayor for the past 28 years...

A David-and-Goliath Contest for a Small Bit of Polish Real Estate

By Mary Blume... PARIS — On the one side is an elderly Polish-born couple, not exactly bursting with health. On the other side are the Polish authorities — the city of Gdansk and Orbis, the state tourist organization...

Table with financial data: Dow Jones (Up 5.03), Trib Index (Up 0.15%), The Dollar (New York, London, etc.), Business/Finance (New chief of EBRD won the board's backing), General News (Pope John Paul said 'seeds of truth' in communism should be preserved).

Book Review Crossword

See LAND, Page 7

See TALKS, Page 2

See TALKS, Page 2







سكوا من الأصل

OPINION

These Numbers on Births Tell a Frightening Story

By George F. Will

WASHINGTON — The senator glanced at the numbers and saw in his mind's eye something frightening: a straight line, ascending. Daniel Patrick Moynihan had in hand the 1991 natal statistics...

The United States is undergoing a demographic transformation the cost of which will be crushing. Why? Because poverty is, strictly speaking, sickening. The children of unmarried women are particularly apt to be poor...

Births to Unmarried Mothers

Table with 4 columns: Year, All races, Whites, Blacks. Data points for 1970, 1976, 1980, 1985, 1990, 1991.

What makes the vital statistics alarming is the ascending straight line for the whole society. What makes the statistics terrifying is that the graph line of births to unmarried black women remains straight...

Minority births are primarily responsible for the fact that the percentage of births to unmarried women is above 70 in Detroit, above 60 in Atlanta, Baltimore, Cleveland, Newark, St. Louis and Washington, above 50 in Chicago, Miami, Philadelphia and Pittsburgh.

Now, trends are not inevitabilities. However, rising illegitimacy is a self-reinforcing trend because of the many mechanisms of the intergenerational transmission of poverty.

What has all this to do with the subject of the hearings, "Social Behavior and Health Care Costs," at which Mr. Moynihan examined the natal statistics? Lots.

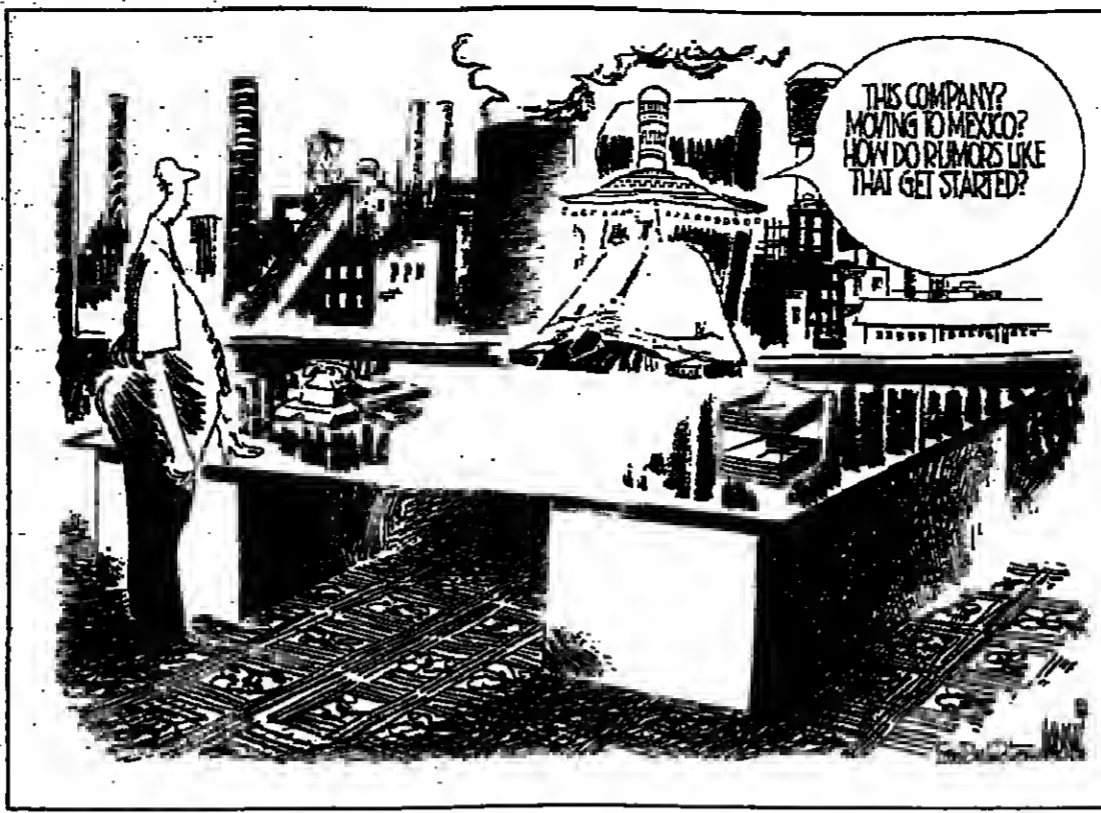
Regarding immunization rates, Mr. Barnes reports that about 98 percent of children are fully vaccinated by the time they are of school age because vaccination is required for admission to school.

High infant mortality rates and low immunization rates are less health care problems — less problems of the distribution of medicine — than problems of social behavior, although the political class, other than Mr. Moynihan, is reluctant to say so.

What can be done? One clue may be in William F. Buckley's words that Mr. Moynihan cites: "The most readily identifiable tragedy of modern life is the illegitimate child."

To many people today there is something macabre about the word "illegitimate." They find it jarring because it is "judgmental."

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address.



A Thank You for Everything To the Conspiratorial Genius

By Mary Cantwell

NEW YORK — Federico Fellini, I wrote in 1981, "is a tall, rather chunky Italian gentleman of 61 who wears black-rimmed glasses and smells deliciously of after-shave."

Mr. Fellini was in New York because "City of Women," which I had seen a few days before at a screening, was about to open. But before I went to meet him I revisited the Fellinis that were my introduction to his work...

Mr. Fellini was in New York because "City of Women," which I had seen a few days before at a screening, was about to open. But before I went to meet him I revisited the Fellinis that were my introduction to his work...

MEANWHILE

arrived from Rome. What, Mr. Fellini demanded, did I mean by "chubby"? Possibly the problem was with his English, he continued, but how could a person be part of a chunk?

LETTERS TO THE EDITOR

Eastern Europe and NATO

Regarding "We Really Are Part of the NATO Family" (Opinion, Oct. 20) by Vaclav Havel:

Mr. Havel, president of the Czech Republic, asks why the post-Communist countries should seek membership in the North Atlantic Treaty Organization.

Mr. Havel goes on to say, "The contiguous and stable Central European belt borders both on the traditionally agitated Balkans and on the great Eurasian area, where democracy and market economies are only slowly and painfully breaking away toward their fulfillment."

In fact, all East European countries, not just these four, need security. If the NATO umbrella is extended to them, they will, in time, bring themselves up to the rigorous standards required for full membership.

The West will also be the loser. Granted, it will be strengthened by the inclusion of the four countries named by President Havel, which would rapidly become true democracies.

Good riddance, Mr. Havel seems to imply. Hardly. It is by solving this problem that NATO will effectively prove itself and demonstrate its capability in its own role.

Such limited partnership may only encourage Moscow to spread its "near abroad" doctrine further.

These countries have a deep and longstanding commitment to Western civilization, as borne out by their history, culture and religion.

Regarding "Clinton's Foreign Policy Glasses Over Hard Reality" (Opinion, Oct. 29) by William Pfaff:

Mr. Pfaff lumps Singapore in with "Augusto Pinochet's Chile, Brazil and South Korea under military rule, apartheid South Africa."

Singapore has held nine general elections since 1959. No one has questioned their secrecy or honesty.

Paris or London. But it is hardly reassuring in Budapest, Prague and Warsaw, especially in light of an article the following day ("A New Russian Empire May Be Coming" by William E. Odom).

Mr. Havel's observation that Eastern Europe is culturally grounded in Western tradition is out a sound argument for prompt Czech, Polish, Hungarian and Slovakian membership in NATO.

Russia today is smug from the loss of an empire. Given the fragile state of Russian political affairs, Eastern Europe can scarcely afford to stir up Russian nationalism by asking prematurely to join an alliance system whose main purpose was to deter Soviet Russian aggression.

After the Munich Conference of 1938, Poland and Hungary, as well as Nazi Germany, grabbed parts of Czechoslovakia. The nations of Eastern Europe (including Russia) will never achieve genuine security without first addressing their lingering antagonisms.

That Singaporeans repeatedly return to power a government that provides them law, order and economic growth is surely a sign that our system works. Must we be socially divided, crime-ridden and in deficit before Mr. Pfaff considers us a democracy?

ERIC TEO, Embassy of Singapore, Paris.

The Siege of Sarajevo

Regarding "Clinton Can't Abide Genocide in Bosnia" (Opinion, Oct. 19):

The forces besieging Sarajevo are not Serbian aggressors, but those of Bosnian Serbs, who lived in that country long before the Turks occupied it 500 years ago and converted a good number of Serbs and Croats to the Muslim religion.

Japan as Peacekeeper

Regarding the report "Is Japan Ready for Greater Role? As Cambodia Peacekeepers, an 'Unimpressive' Performance" (Oct. 25) by Philip Shenon:

This story about Japanese Army engineers in Cambodia notes that they "were complimented for their performance in repairing roads and bridges."

Sometimes I thought: "Aha! I have him. I have the key to the Fellini psyche." But he danced away, dismissing with his second breath what he had said with his first.

"I am a storyteller," he said. "I want to say a story about myself, my dreams, strange things, lies, the combination of sincerity and fantasy, autobiography and complete invention, with the desire to astonish, to make love, to move, to put in some philosophies, some doubts."

The sentences rolled off his tongue, one pearl after another, reminding me of what someone had once said about meeting Mick Jagger: that it wasn't at all like meeting Mick Jagger.

I saved my letter from Federico Fellini — framed it, in fact — and when on Sunday night I heard that he had died I took it off the wall and looked at it again. No longer barricaded by a tape recorder and a long yellow pad, I was suddenly shy and had never answered it.

What could I have said besides "Thank you for everything"? Which is, I suppose, what everyone who has seen his films is saying now.

MARTHA DEWITT, Geneva, The New York Times.

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THE FUTURE OF PRIVATIZATION in EUROPE

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- List of speakers including Edmond Alphandery, Anthony Carlisle, Thomas J. Casey, Wim Dik, Vladimir Dlouhy, David Holmes, Edmond Israel, Tamás Iványi, Bessel Kok, Abel Manutes, The Rt Hon Francis Maude, Edgar McCarthy, Alessandro Ovi, Michel Pébereau, Antoine Schwartz, Luigi Spaventa, Peter Sutherland, Stefan Szymanski, Daniel K. Tarullo, Robert M. Worchester, Salvatore Zecchini.

Registration form for the conference, including contact details for translation and program details.



An Icon of Italian Business Goes to Jail for Questioning

By Alan Cowell
New York Times Service
ROME — Three days after a warrant was issued for his arrest, the industrialist Carlo De Benedetti gave himself up to magistrates on Tuesday and was taken to jail for questioning — the highest-ranking and richest private business figure to enter prison in Italy's huge bribery scandal.

inquiry since May that "would probably have emerged in Milan if my colleagues there had kept up the investigation."
And, responding to complaints about the arrest warrant by Mr. De Benedetti's lawyers, the Rome judge who signed it, Augusta Iannini, declared: "The law is the same for everybody. Anybody else facing the same charges as De Benedetti would have been arrested."

Regina Crelli (Queen of Heaven) jail for an initial two-and-one-half-hour interrogation by Miss Cordova.
Details of the interrogation were not immediately known. A second round of questioning was scheduled for Tuesday evening.

Mr. De Benedetti's personal wealth is estimated at \$1.6 billion, making him one of the 200 richest people in the world.
The charges against Mr. De Benedetti are drawn from testimony given to investigating magistrates by one of his executives, Giovanni Cherubini, and two Postal Ministry officials who said that he authorized bribes to secure contracts for a wide range of equipment.

Racism Is Real, German Admits

Compiled by Our Staff From Dispatches
BOHN — A leading German sports official said Tuesday that foreign athletes were right to be concerned about visiting his country after U.S. athletes were attacked by right-wing extremists.
And the mayor of Oberhof, the town where two black members of the U.S. Luge team by skinheads late Friday in a disco in an East German town where they were training, and a white teammate was beaten.

LAND: A Small Piece of Poland

Continued from Page 1
about a joint venture in Warsaw between the British group Forte and Orbis, which holds a lease in perpetuity on the smaller of the two lots. "As soon as I saw the name Orbis I wrote to the journalist to find out more," Mr. Brochetain said.

Mr. Waigel's successor, Anne Wibbe, who is the Swedish finance minister, wrote to Mr. Brochetain that there is no Polish law that allows original owners to claim from the public authorities land that was confiscated by the Nazis. She also says that the Brochetain land is not involved in the bank-bank project.



BURIAL IN GREYSTEEL — A Roman Catholic priest holding his head in grief Tuesday during the funeral for four of the people killed at the Rising Sun bar in a terrorist attack. Seven people were shot and killed by loyalist extremists who shouted "trick or treat."

GORBACHEV: A Wait-and-See Attitude on a Run for the Presidency

Continued from Page 1
he said, playing on the name assumed by the political bloc formed by Mr. Yeltsin's most prominent lieutenants.
This is my choice, and I don't intend to change," he said. "Life and developments have confirmed that this was the correct choice."

quips of the two Communist party members closed down by the government after the armed clash on Oct. 4. "The primary target of their criticism was Gorbachev. There was not a single page without criticism of this or that action by Gorbachev."

Mr. Gorbachev seemed to take pains not to attack Mr. Yeltsin by name, focusing his reproaches rather on "the authorities" or "the executive branch."

The storming of the parliament center, he argued, was a deed for which Mr. Yeltsin will pay a heavy price, especially if rumors prove true that the death toll is hundreds higher than officially claimed.

Pravda Is Back on the Streets With New Editor, but Defiant

MOSCOW — Pravda, the newspaper suspended by President Boris Yeltsin nearly a month ago, resumed publishing on Tuesday and defiantly vowed to maintain its anti-Yeltsin tone.

The daily newspaper, which in the Soviet era was the official mouthpiece of the Communist Party, reappeared with its Orders of Lenin proudly displayed on its masthead along with the words, "Founded May 5, 1912, by the initiative of V.I. Lenin."

Bonn's AIDS Scandal Hits the Crisis Level

Compiled by Our Staff From Dispatches
BOHN — The German authorities were scouring hospitals nationwide for HIV-contaminated blood on Tuesday after it became clear that hundreds of patients across the country could be at risk of contracting AIDS.
The police made two further arrests after blood products had been distributed to at least 60 hospitals in Germany and abroad without being screened for the HIV virus that causes AIDS.

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TODAY'S BUSINESS MESSAGE CENTER
Appears on Page 8

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# Sinatra's Back (With Pals)

By Stephen Holden  
New York Times Service

**N**EW YORK — The most remarkable moment in "Frank Sinatra Duets," the album that returns the 77-year-old singer to the mainstream of popular music with a startling force and authority, is a rendition of "I've Got You Under My Skin" in which the Chairman of the Board is joined by Bono of U2.

ly turned its back on his kind of music in the late 1960s and '70s. The singer's emphatically aggressive vocals on the album are a sharp reminder that 50 years ago Sinatra was the first white American pop singer to inject quirky personal feelings and a sense of croic intimacy into a polished but bland pop crooning tradition.



Frank Sinatra returns to recording after nine years.

River Phoenix was considered one of most gifted actors of his generation.

# Death in Hollywood

By Bernard Weirand  
New York Times Service

**L**OS ANGELES — The collapse and death of River Phoenix outside a Sunset Strip club early Sunday was a stunning Hollywood, largely because the 23-year-old actor was one of the most gifted of his generation.

"Where's your brother right now?" asked the dispatcher. "He's laying on the cement." "Is he breathing?" "I don't know." "Who's with him right now?" "Um, my sister and some people," cried the caller. "She's trying to give him mouth-to-mouth. Please get to him. Please! Please!"

# An 'All's Well' for the Head, Not the Heart

By Sheridan Morley  
International Herald Tribune

**L**ONDON — In the Barbican Pit, the production that brings Peter Hall back to the RSC after 20 years is a mournful "All's Well That Ends Well" that, in keeping with the later Hallmark, is inclined to celebrate the play's difficulties rather than attempt any disguise of its manifold imperfections.

without the times, gives us a bare-stage, stripped-down rendering that focuses on constant deception, not only of Bertram by Helena but of Parolles by his fellow soldiers.

ian ballads, would seem to be telling us that socialism is no match for social incompatibility. Neither of his two families can be engineered into accepting the other, and at the last all that is left to them is destruction.

# Another Rock 'n' Roll Comeback: Guitar Smashing

**O**h it breaks my heart to see those stars smashing a perfectly good guitar. I don't know who they think they are. Smashing a perfectly good guitar. — "Perfectly Good Guitar," John Hiatt

At the MTV Video Music Awards show last month, the members of Pearl Jam jammed with their idol, Neil Young — a rock 'n' roll deity who's been playing music longer than most of them have been alive.

primitives have discovered the power of smash. It looks cool. It can land big record contracts.

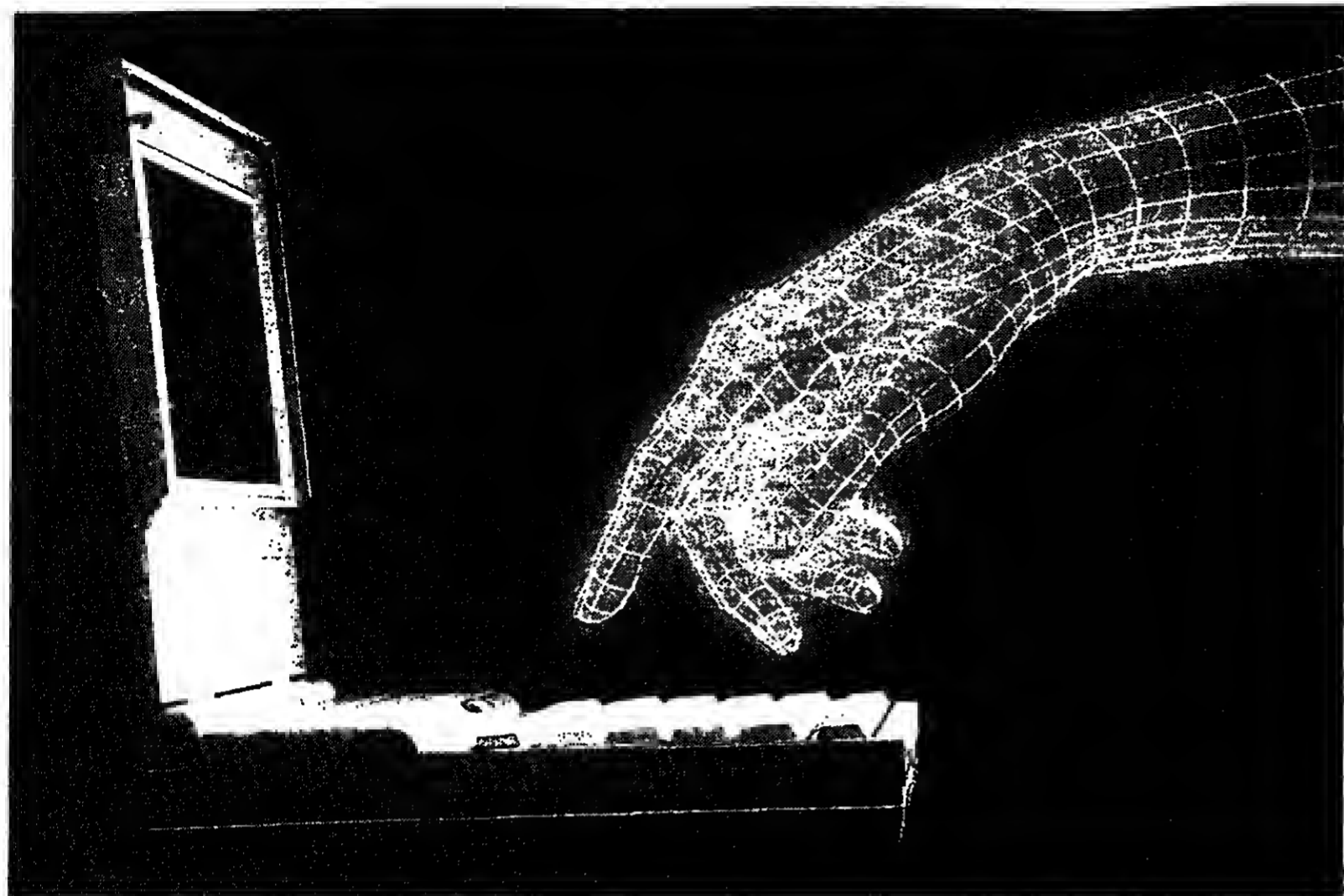
art, Hiatt paused and said in a bemused, parental tone, "Those scamps."

On November 16th, the IHT will publish an Advertising Section on **BUSINESS TRAVEL**. Among the topics to be covered are: Airlines — doing their best to reattract business customers. Increased specialization into niche markets. The prominence of security in the business travel market. Motivational travel emerging as a travel incentive. The economic boom in Asia — more than 50 new airlines in the last 5 years.

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# Personal and Laptop Computers



Increasingly sophisticated personal computers now offer megabyte power at the user's fingertips.

## POWER OF THE PC CONSUMER CHANGING INDUSTRY PRIORITIES

A recent advertising industry study on brand names showed just how far personal computers have come in the last few years. IBM PCs, Apple and Compaq were right up there with Coca-Cola, Ford, Sony and other brands that traditionally rank high in consumer awareness.

The more personal computers become part of the everyday fabric of life, the more they are changing — and the more truly personal they must be. They must be smaller, faster, more powerful and more versatile, while featuring more compatibility with other machines and simpler interfaces with other communications systems and more information sources. On top of all this, they must be cheaper, too.

The power of the personal-computer consumer is underscored by the way the industry is changing. Even IBM, the lumbering giant, is reorganizing along product and geographic lines with user-friendly programs such as Easy Options, which allows users to pick and choose peripherals — ranging from video or audio cards to tape drivers and scanners — and to personalize or customize their systems.

The competition among PC makers to be at the crest of every new wave means the pace of change within the industry has become startling. The typical life expectancy for a new desktop PC model is a mere six months, according to industry analysts, which means that many of last summer's new models will be obsolete by Christmas. Some computer exchanges originally formed to help people buy and sell used machines now report that many transactions — up to half in some cities — involve brand-new machines that are dumped by retailers because they have become obsolete so quickly.

A key to the change driving the PC field is the way that PCs are used today. Instead of merely processing data that has been loaded into its programs, today's computers — and particularly today's PCs — have become primarily delivery systems for the information itself.

Historical data downloaded from data banks, a memo sent back to the home office by electronic mail, a kid's drawing faxed to a traveling parent before it is hung up on the fridge — all are examples of the way today's new generation of PCs provide specific and personal information to the user.

Three important aspects of the PC industry might be characterized as what is happening to the outside of the box, what is happening to the inside of the box and a new emphasis on how boxes must be built in the future.

Inside, the big story is the increased competition among processors and operating systems so long dominated by Intel and Microsoft. While those companies are hardly resting on their laurels — witness Intel's new Pentium processor and Microsoft's ambitious Windows NT operating system — companies such as IBM, DEC, Apple, Hewlett-Packard, Sun and Silicon Graphics are gearing up for a new level of competition.

This competition promises — though it hardly seems possible — an even faster pace of change toward better processing and operating systems, along with cheaper prices. There will be losers, as in any competition: workstations, for example, may become obsolete as companies find that new technology allows PCs to do the same job at a fraction of the cost.

For the outside of the PC, the distinction between laptops and desktops is blurring. With laptops that offer big megabyte storage along with full audio and good color, many users find they do not need that desktop even when they are home. Computer notebooks and their spin-offs are also a growing market segment that could well move beyond niche to mainstream. Canon, for example, has a new NoteJet model that combines a notebook with a printer in a package that weighs less than eight pounds.

Perhaps the hottest competition, however, will be among PDAs — personal digital assistants. Amstrad, Apple, AT&T, Tandy, Casio and Sharp are among the heavyweights climbing into the ring with these state-of-the-art personal organizers with communications capabilities in packages of four pounds or less. Finally, one other factor looms large in the not-so-distant future of the PC: environmental concerns. Spurred by the U.S. Environmental Protection Agency's own corporate good citizenship, computer manufacturers are developing a new breed of energy-efficient PCs.

Compaq's Design for Environment program, for example, aims to produce machines that are energy-efficient, CFC-free and easy to recycle. IBM's PS/2 E range offers energy-saving features such as a flat-panel display, and uses 60 watts of power per hour instead of the 150-220 watts required by typical desktops.

In line with the EPA guidelines, the new IBM line includes a "sleep mode" that automatically powers down the machine to 20 watts when not in use. Indeed, it is quite probable that within a few years PCs will be rated not only according to how much they can do and how fast, but also according to how little power they need to do it.

Steven Bartlett is a Paris-based freelance writer specializing in information technology. Peter Gwynne is a science and technology writer based in Brussels. Timothy Harper, a journalist and lawyer who specializes in international business, is the author of "Cracking the New European Markets," published by John Wiley & Sons, New York.

Timothy Harper

## BACK TO BASICS AS COMPANIES FACE SHAKEOUT

Last year's price wars have left the personal computer industry reeling. With list prices falling by anything from 20 percent to 50 percent, the shakeout has claimed victims at every level, from the boardroom to retail dealers. Everyone is being squeezed — except the customer.

The industry's undeclared price war erupted into the open late last year when the brand leaders finally abandoned their

### Higher technology is lowering costs

entrenched positions and counterattacked on the price front.

The newly turned-around Compaq rolled out its new low-price Prolinea line. IBM followed suit with its Value Point range. Under-sold and outmaneuvered by a wave of hungry newcomers, the industry numbers one and two got back to basics: more performance, service and choice — at rock-bottom prices.

Beyond Europe, Compaq moved into Japan, launching low-cost entry-level models priced at around \$1,000 — or roughly half the price of local market leader, NEC. IBM, Apple, Hewlett-Packard and direct-sales specialist Dell soon followed.

The transition from selling quality to shifting commodity hurt more than the makers' pride: IBM lost an estimated \$1 billion on PCs last year. But the price cuts worked, kick-starting an increasingly sluggish market and pushing volume growth rates above the 10 percent mark for the first time since the late 1980s. Hewlett-Packard, for example, reportedly shipped 50 percent of its annual sales total during the last four months of 1992.

By June 1993, IBM, Compaq and Dell held about 20 percent of the world market between them. America's Apple and Japan's NEC held another 17 percent — despite the fact that neither companies' products are compatible with the IBM-based industry standard. The remainder, or roughly six out of 10 machines, are being supplied by much smaller, much less well-known companies, or the infamous clone-makers, as they are collectively known.

Thanks to them, high tech will never be so high price again. By making personal computers more widely available, they helped to

demystify the technology, drove prices down, forced the pace of development and effectively ended the distinction between cheap and premium brands.

Technology is driving prices still further down as ever-larger numbers of increasingly powerful microprocessors are being built into new products with ever-shorter life spans. This year, Intel plans to produce 40 million of its state-of-the-art 486 chips, and their successors — with processing speed to rival the typical mainframe — are already in the pipeline.

Where others failed, the cost-cutters have succeeded in stripping business back to its basics. Dell, for example, now the world's fifth-largest computer maker, targets corporate customers through direct sales — the corporate euphemism for mail order. It sells 85 percent of its computers over the phone and then assembles and loads them with software before delivery. Finally — in a bid to broaden its appeal to corporate customers — Dell provides technical support services, including systems integration, as well as the more traditional help hotline and on-call service engineers.

As the direct-sales merchants and superstores gain ground, main-street computer dealers are feeling the pinch: 20 percent of them went out of business in 1992.

European computer makers are also feeling the squeeze. France's Bull, which bought out Zenith's personal computer business in a bid to boost its market share, has just received a \$1.5 billion injection of capital from the French government in an effort to return the company to profitability; it has been in the red since 1990. A new chairman, Jean-Marie Descarpentries, has also been brought in to prepare the company for privatization.

Announcing its first-half results in September, Olivetti blamed industry price cuts for its \$106 million pretax loss. Despite a 5 percent increase in sales, the loss is nearly double last year's figure. But at least the European personal computer maker gained market share: up from 4.9 percent to 6.2 percent.

ICL is holding its own, partly thanks to having gained a percentage point in market share after the acquisition of Nokia Data. But other secondary players, such as Amstrad, are reporting large losses or, like Tandy, are leaving the market altogether.

The price of change has been high elsewhere, too. The former head of European operations, Eckhard Pfeiffer, who masterminded Compaq's impressive turnaround, ousted Rod Canon as CEO and imposed stringent price controls across the board.

IBM's new chief executive officer, Louis Gerstner, was appointed in April and has proposed the usual package of job cuts, shutdowns and restructurings to balance Big Blue's books. At Apple, Chairman John Sculley has resigned after 10 years in the top job. Michael Spindler, who was named the new chief executive on June 12, has announced an indefinite pay freeze, plans to lay off 16 percent of the work force and cut pay by 5 percent for top executives.

Forced into temporary retreat, Japan's big names have shifted to offshore production. Fujitsu is negotiating a deal with Taiwan's largest manufacturer, Acer. Sharp says it plans to recruit production partners

in Taiwan and South Korea; Matsushita is turning to its own Taiwan subsidiary for imports. Perhaps nothing illustrates the PC's newfound commodity status quite so clearly as this latest shift offshore. In just over a

decade, the technology has moved from strength to strength, shifted over 134 million units — and thus won itself a permanent position in the Southeast Asian production chain.

Steven Bartlett

### THE TOP 10 IN PC SALES

Falling prices have increased unit sales, but how long can computer makers continue to absorb diminished profits? (Worldwide unit sales for 1992: 32,406,876)

IBM	3,306,420
Apple Computer	2,910,381
Compaq Computer Corp.	1,559,593
NEC	1,406,000
Commodore	1,194,681
Dell Computer Corp.	774,156
Packard Bell	700,402
Toshiba	623,393
AST Research	594,360
Tandy	570,639
Other PC vendors	18,766,854

Source: Dataquest, Inc.

## This is what the new IBM does.



سكوا من الأصل

# Personal and Laptop Computers

## OBJECT-BASED SYSTEMS TRANSFORM SOFTWARE

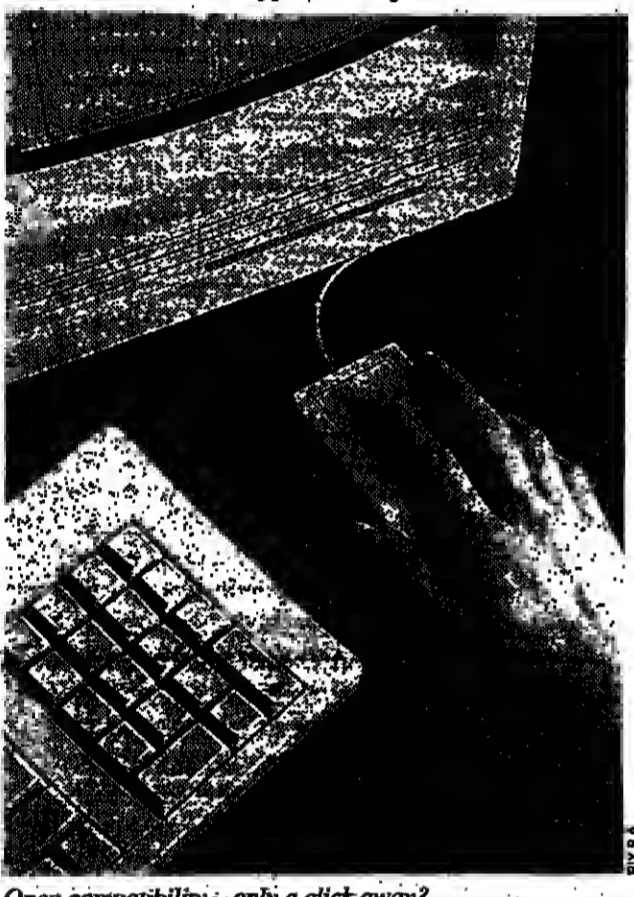
A major theme of today's computer industry is "open systems." Computer manufacturers who for years relied on proprietary hardware to keep their customers once they had landed them now extol the virtues of openness — the quality that gives users the ability to mix and match devices and run the same software on machines from different makers.

### Object orientation is highly flexible

The aim is to help users build files and documents from several different sources and different types

be brought together under one roof in extremely complex documents. For example, a report of an insurance claim following an automobile accident might contain, all in one computer file, a copy of the insurance policy, a handwritten claim form, a drawing of the way in which the accident occurred, the tape-recorded recollections of witnesses from the accident scene and motion pictures scanning the car involved to show how it was damaged.

technology; it permits them to bring new programs to market faster than before. Object-based systems, according to François Micol, vice president and managing director of Borland Europe, have reduced the life cycles of new releases of software from 18 months to less than one year.



Open compatibility — only a click away?

of software applications. A key technology in this process is "object orientation."

A major stimulus for the arrival of this type of software is the growth of multimedia. Documents created by computer need no longer consist of text and rudimentary graphics alone. Sophisticated graphics, sound and video can now

Fundamentally, object orientation mimics the way in which users of computers actually work. Rather than forcing users to assemble their documents in a way convenient to programmers, the technology allows them to do so as if they were putting the documents together by hand.

Manufacturers of software also gain from the

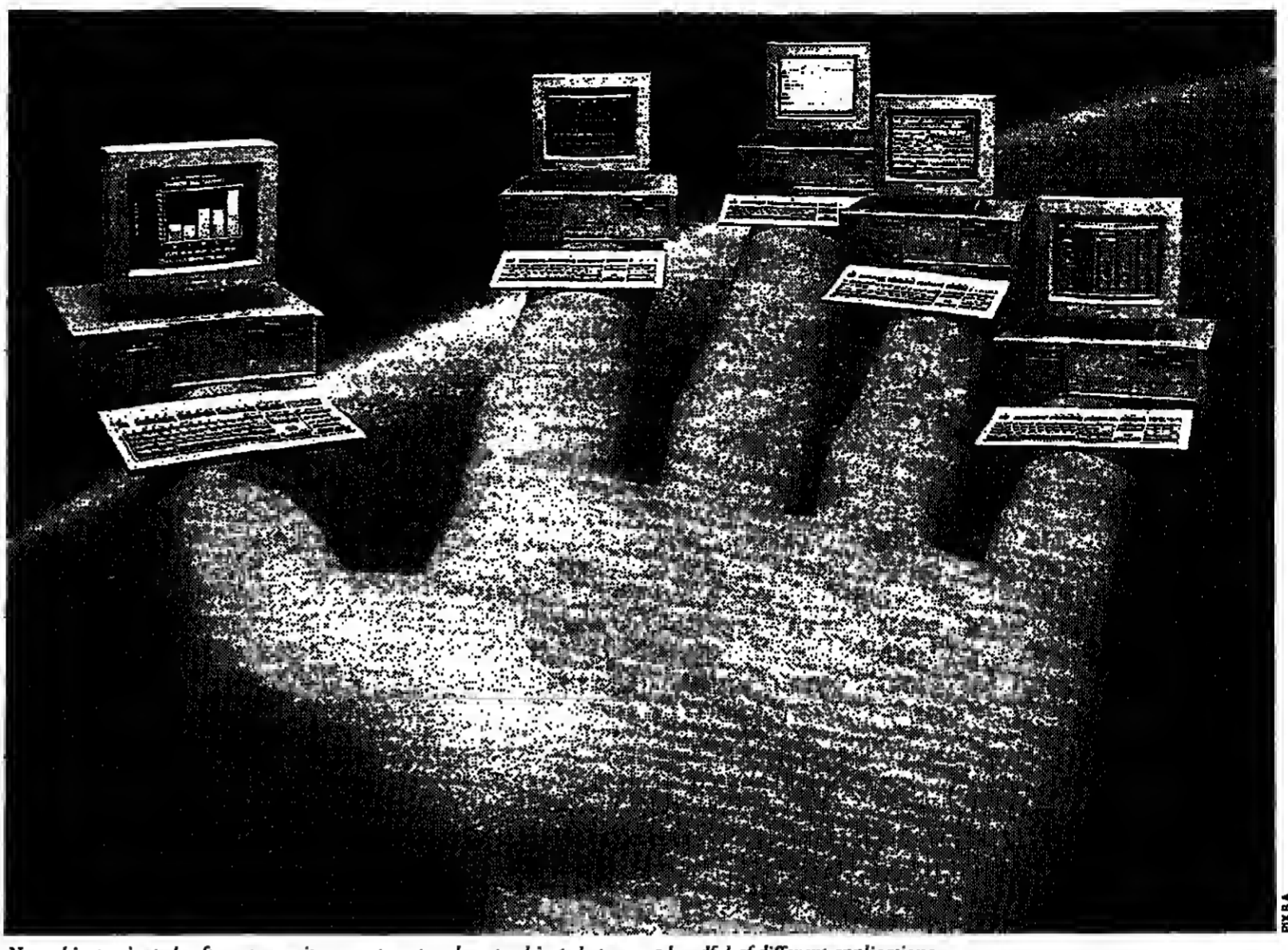
The problem is that pieces of data being assembled from different sources are likely to be in quite different forms. Making the drastic changes necessary to bring them together in a single format proved beyond the capabilities of software until object orientation came along.

Object-based software has started to solve such problems. As a result, it is rapidly gaining acceptance by the computer professionals.

At present, the market is eagerly anticipating a version known as OLE 2.0 — for second version of object linking and embedding — from software giant Microsoft.

The software permits users to drag and drop between different application windows. They can also open up and work on objects directly inside documents, without having to switch to different windows. And they can manipulate objects "nested" inside other objects.

Microsoft isn't the only company moving fast to use object systems effectively. A group of software suppliers is working with Apple Computer to develop a technology called OpenDoc, which also makes it possible to build up documents from data in various forms.



New object-oriented software permits users to cut and paste objects between a handful of different applications.

Using this technology, developers of software applications can combine different programs in such a way that users can cut and

paste objects between applications without regard for the type of data they are using or how the information is stored. It could per-

mit users of Macintosh to work effectively with data and documents prepared in conventional personal computer formats. If the project

proves successful, it will give users a single method of bringing together data and objects by the end of next year.

The technique promises to be particularly applicable to areas such as video, 3D and virtual reality programs. Peter Gwynne

## THE DIGITAL ASSISTANT — TOMORROW'S PORTABLE?

The deal of the century will probably be made on it. Small enough to slip inside a pocket, the same gadget will be of invaluable assistance on weekend shopping trips as well. The high-tech sector is literally placing its future in our hands.

Everybody who is anybody in the personal computing or consumer electronic industries seems to be involved. But unusually, in addition to the established industry heavyweights such as Apple, AT&T, Hewlett Packard, IBM, Matsushita, Microsoft, Motorola, Philips, Sharp and Sony, the key players include a select few Silicon Valley start-ups, such as the first-to-market Eo and the whimsically named Apple

spin-off General Magic. Linked in a shifting alliance, the partners are racing to perfect the personal digital assistant — an all-in-one adult gameboy that can double as a hand-held computer and portable telephone.

Like a cellular phone, the combined terminal will be capable of sending faxes or electronic mail over the airwaves. Instead of employing a time-consuming keypad, it will be able to read in scribbled messages directly from the screen.

The gadget will be pocket-sized, about the size of a hardcover book. Think of it as an electronic clipboard, with an electronic pen, or stylus, that will never run out of ink and an electronic pad that will never run out of paper. Except, unlike the

clipboard, it will be smart enough to decipher your handwriting and know whether the item in question is a number to call, an address to remember or an

### The gadget's promise may not be realized for another 10 years or more

appointment to be entered in the diary.

Slot-in cards, slim as a wafer, will support a whole range of applications. One of the many versions under current development features an internal compact-disc reader, which is guaranteed to provoke immediate talk of multimedia.

So far, over 300 compa-

nies have joined the PC Memory Card Industry Association. First, they have settled on a standardized dimension, about the size of a credit card. Since then, three distinct categories of the card have been developed for holding computer memory, modems and hard-disk storage. In the future, it is suggested, they could incorporate cellular phones, video cameras with a clip-on lens or even a television set.

AT&T, which has staked its claim to the market through an alliance with Eo, says that as many as a billion of the devices could be in use in 10 years' time. The figure is arguably an understatement — some of the industry's best possible estimates have been based on the number of phones in the world; others are based on the planet's entire population. Realistic estimates will scale the figure down, but Apple's recently departed chairman, John Sculley, fired the first salvos in the war of words by putting a \$3.5 trillion price tag on electronic information products and services by 2000.

Everything will depend on how, and in which order, the technology is to be applied.

There are three distinct starting points — the personal organizer, which is smart enough to link diary, address book and notepad; the cellular phone link, which can be used to send or receive messages and faxes; and the software interfaces needed to manage script — as input.

The first two already exist, and are not prohibitively expensive. The problem with the software, however, is precisely the reverse, and largely accounts for the delay in bringing Apple's Newton Notepad to market.

In the long term, DOS-based software is unlikely to work because the digital assistant is intended to be much more than an ultra-miniature personal comput-

er. New standards will need to be set, and there is no shortage of volunteers. But overcompetition will cause overincompatibility.

Another key problem, downsizing the standard QWERTY keyboard, has been overcome by introducing the stylus. This is fine for traffic police, truck drivers, meter readers and the thousands of others who are required to complete and transmit standard forms, but will probably prove to be somewhat less than suitable for the globe-trotting executive with letters or reports to write en route.

The gadget's batteries pose another problem. The more powerful the machine, the more batteries it needs, the heavier they become. Tying the personal computer into the personal phone only compounds the problem, because local signal strengths may vary enormously.

On balance, it will probably be a decade or more before the digital assistant industry lives up to its multibillion-dollar promise.

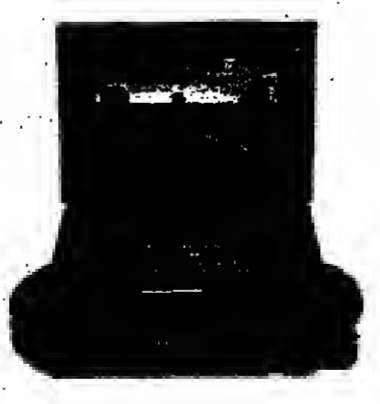
In the interim, shrewd business purchasers will almost certainly sock with notepads or laptops. By 1995, industry analysts suggest, they will account for one in two of computers sold.

London-based Tele-Adapt, founded in 1992 and billed as Britain's fastest-growing supplier of complete communications systems for the portable computer user, is prepared to bet on it.

Rather than peering over the distant horizon, the company has its feet firmly on the ground with a practical global communications solution that can be used to send data or faxes from any location around the world. The company sells 30 different types of telecom plug, in handy packs and combinations, for calling from any European capital city, or any other combination of 180 countries worldwide.

S.B.

## And this is what it looks like.



Introducing the IBM ThinkPad 750 C. The notebook that packs everything on the left into the Ony black box and portable docking station on the right. Which makes it the biggest little computer in the business. For starters, you get the biggest colour screen on the notebook market (10.4"). You get the turbo-charged IBM TrackPoint II pointing device. You get removable

disk drives. And you get two handy PCMCIA slots that can turn your ThinkPad into an answering machine and a fax. Plus you get all the multimedia you can handle: Twin speakers that pump out full stereo sound. Full motion video. An optional CD-ROM drive to play music CDs and the most popular PC software on CD-ROM. Plus, to complete the multimedia picture, a TV tuner. Plus, you even get a free personalised nameplate. On top of all this, you get Helpware for

12 months\*. Among other things, this means a Hotline with access to help 24 hours a day, 365 days a year. IBM makes a full range of ThinkPads, so there's one that's just right for you. For more information, contact your IBM office or fax France: 33 (1) 40444261. The new IBM ThinkPad 750 C. It doesn't look like it does all it does. But it does.



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Tel: +44 (0)81 421 4444 Fax: +44 (0)81 421 5308

# NYSE

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press.

12 Month High Low 50c Div. Yr. PE Ratio

Symbol	12 Month High	12 Month Low	50c Div.	Yr. PE Ratio
AA	10.00	8.00	0.00	10.00
ABB	15.00	12.00	0.00	15.00
ABC	20.00	18.00	0.00	20.00
DEF	30.00	25.00	0.00	30.00
GHI	40.00	35.00	0.00	40.00
JKL	50.00	45.00	0.00	50.00
MNO	60.00	55.00	0.00	60.00
PQR	70.00	65.00	0.00	70.00
STU	80.00	75.00	0.00	80.00
VWX	90.00	85.00	0.00	90.00
YZA	100.00	95.00	0.00	100.00

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ABC	10.00	8.00	0.00	10.00
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GHI	20.00	18.00	0.00	20.00
JKL	25.00	22.00	0.00	25.00
MNO	30.00	28.00	0.00	30.00
PQR	35.00	32.00	0.00	35.00
STU	40.00	38.00	0.00	40.00
VWX	45.00	42.00	0.00	45.00
YZA	50.00	48.00	0.00	50.00
BCD	55.00	52.00	0.00	55.00
EFG	60.00	58.00	0.00	60.00
HIJ	65.00	62.00	0.00	65.00
KLM	70.00	68.00	0.00	70.00
NOP	75.00	72.00	0.00	75.00
QRS	80.00	78.00	0.00	80.00
TUV	85.00	82.00	0.00	85.00
WXY	90.00	88.00	0.00	90.00
ZAB	95.00	92.00	0.00	95.00

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THE TRIB INDE

MARKETS

Lobby Takes

Order of the

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# BUSINESS

International Herald Tribune, Wednesday, November 3, 1993



## THE TRIB INDEX 111.17

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland.

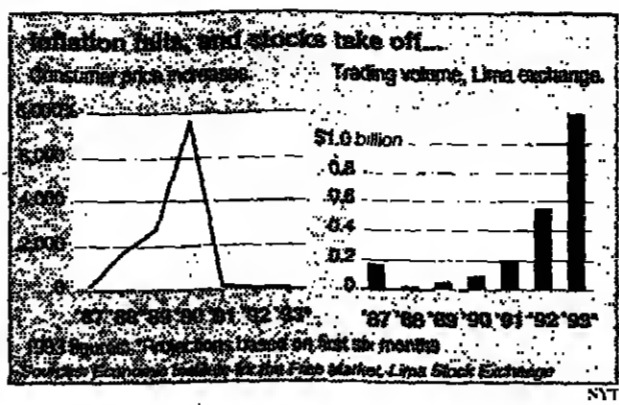
Region	Index	% Change
Asia/Pacific	108.82	+0.25
Europe	106.87	+0.50
N. America	106.34	+0.50

Industrial Sectors	Index	% Change
Energy	116.47	+0.14
Utilities	121.27	+0.50
Financials	120.81	+0.82
Capital Goods	105.90	+0.40
New Materials	105.49	+0.40
Consumer Goods	93.08	-0.45
Miscellaneous	123.39	-0.40

## Rebound: Investors Flock to Peru

By Nathaniel C. Nash  
New York Times Service  
LIMA — Once crippled by guerrilla violence that left more than 25,000 dead and \$23 billion in losses and considered by many to be unmanageable, Peru these days is drawing a rash of investors looking for big returns ranging from the United States to South Korea.



Foreign executives — many of whom admit they are taking big risks — are doing what as recently as mid-1992 was considered unthinkable for the profit-minded — pouring hundreds of millions of dollars into one of the poorest and most chaotic countries in the Third World, buying mines and television stations, fishing companies and airlines.

Business investment, as it often has been in developing economies, is ahead of the diplomats in recognizing Peru's progress. In Washington now, there are the beginnings of a consensus in the Clinton administration that, once it has assurances on human rights, it should renew the aid to Peru that was halted after President Alberto K. Fujimori seized dictatorial powers last year.

## EBRD Board Backs New Chief On Realignment

By Erik Ipsen  
International Herald Tribune  
LONDON — The European Bank for Reconstruction and Development stands on the brink of its most sweeping reorganization since it was set up to aid development in Eastern Europe two and a half years ago.

land, the Czech Republic, Russia and the former Soviet republics of Kazakhstan and Uzbekistan. Mario Sarcinelli, the vice president who has headed the development-banking operation, will move to head the southern division, which will include Hungary, Albania and Ukraine.

## Hong Kong and London Push Cable TV Colony's 2d Service Sought Channel One Is Set for April

Compiled by Our Staff From Dispatches  
HONG KONG — Only two days after Hong Kong's first cable network went on the air, Hong Kong Telecommunications announced plans Tuesday to launch its own cable TV service starting in 1996.

PLC of Britain, and 20 percent by CITIC Pacific and its Beijing-based parent, China International Trust & Investment Corp.

LONDON — Publishers of the Daily Mail newspaper and a television production house on Tuesday jointly won the bidding for London's first citywide cable television channel and said it heralded a fifth national channel.

Associated Newspapers, which won the bid in a venture with SelectTV, a television producer. Associated Newspapers has 80 percent of the new channel and SelectTV the rest.

## MEDIA MARKETS

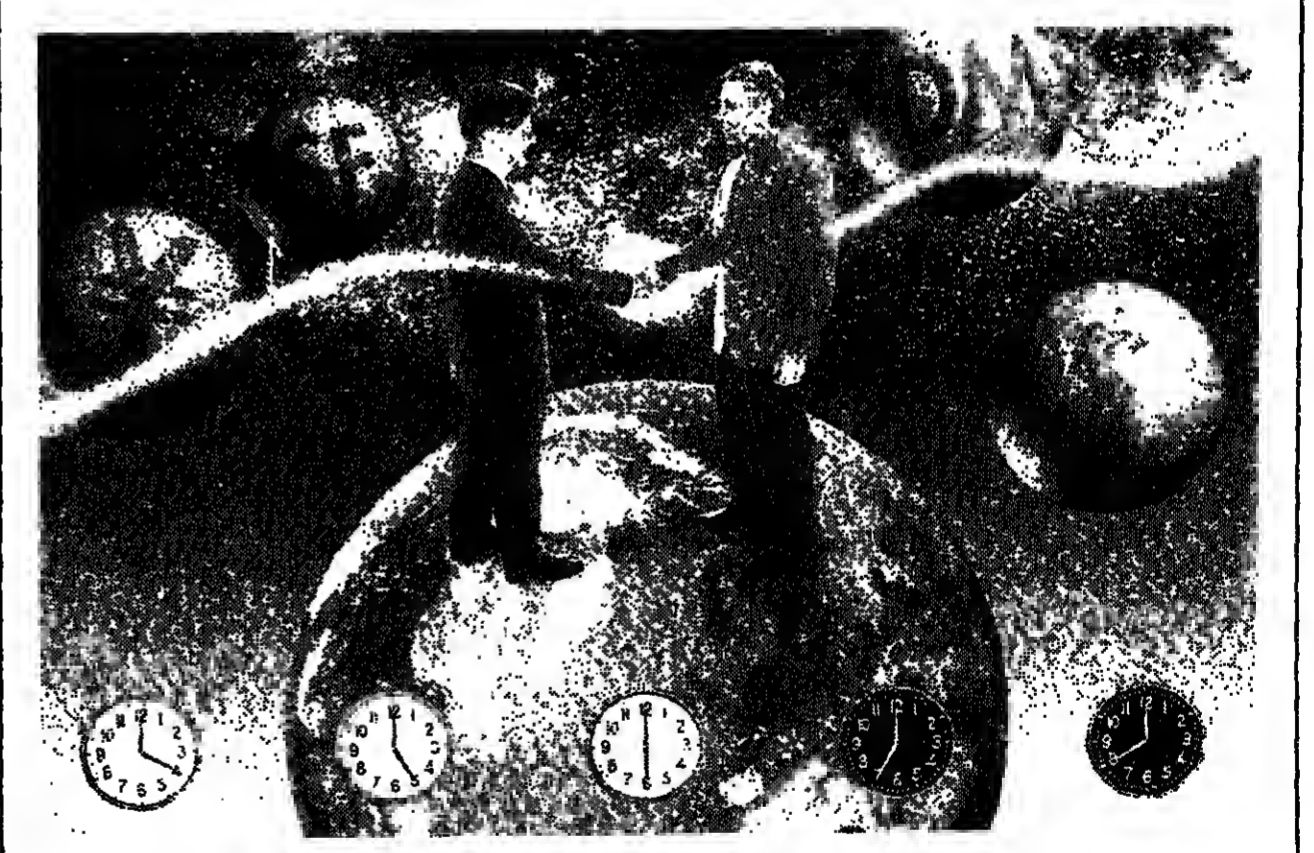
### Playboy Takes Its Videos To Corners of the Earth

By Richard Covington  
Special to the Herald Tribune  
PARIS — Alternately lauded and vilified over its 40 years of existence, Playboy magazine and its parent company, Playboy Enterprises Inc., have embarked on a major global video expansion, including partnerships with Philips Electronics NV and International Business Machines Corp.

## Time Warner Enters Fight for New Network

Compiled by Our Staff From Dispatches  
LOS ANGELES — Time Warner Inc. and Tribune Co., moving to undercut Paramount Communications Inc., announced Tuesday they would launch a new prime-time television network, called WB Network, in the fall of 1994.

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Country	Rate	Country	Rate
Australia	1.57	Canada	1.25
Belgium	3.61	Denmark	8.15
France	5.75	Germany	7.75
Italy	10.00	Japan	5.75
Spain	10.00	UK	7.75
Sweden	8.00	US	6.50
Switzerland	5.00		

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MARKET DIARY

Stocks Climb Back From Early Plunge

NEW YORK — Blue chip stocks on the New York Stock Exchange recovered from sharp morning losses to finish marginally higher Tuesday. The Dow Jones industrial average had its 25 points in early trading as much as 1.5 points earlier. Near the close, the yield was up 4 basis points at 6.07 percent. Rising yields are discouraging stock investors because the trend could eventually make the potential returns from shares less appealing. International Business Machines Corp. shares climbed sharply after one of the company's long-time critics, Thomas Rooney of Donaldson Lufkin & Jenrette Inc., raised his investment rating and earnings estimates for the company. IBM shares soared \$3.10 to \$51. The company also introduced two new products, including a personal computer it hopes will challenge Apple Computer Corp.'s Newton MessagePad. IBM led the Dow's rally, and was joined by International Paper Co., which rose \$1.37 to \$63.125. Minnesota Mining & Manufacturing, which climbed 75 cents to \$105.25, and Aluminum Co. of America, 60 cents higher at \$63.375. (Knight-Ridder, Bloomberg, UPI)

Bundesbank President Gives Dollar a Boost

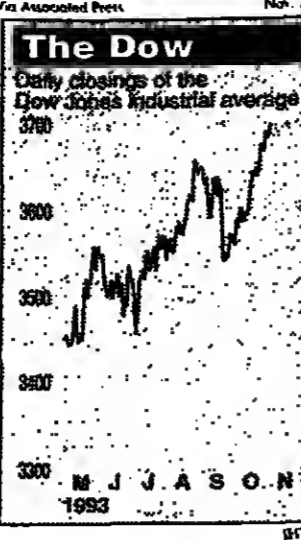
NEW YORK — The dollar slumped against the Deutsche Mark Tuesday after Bundesbank President Hans Tietmeyer said that he was not concerned about the mark's recent slump against the U.S. currency. The dollar was quoted late Tuesday at 1.7030 DM, its highest level since Aug. 16. It had traded at 1.6520 DM just before Mr. Tietmeyer spoke. It closed at 1.6957 DM on Monday. The dollar has risen more than 7 percent against the mark since mid-September amid speculation that U.S. rates will remain steady or rise while German rates fall. Mr. Tietmeyer also said that the Bundesbank had not sold dollars to bolster the mark, dispelling widespread speculation that the central bank was selling the dollar as it approached 1.70 DM on Tuesday. "Not everything said on the currency markets is true," he said, adding that the Bundesbank had not intervened in the last week. "We are not concerned about the dollar's exchange rate." Tietmeyer's comment gave people carte blanche to buy dollars, said E. J. Johnson, a foreign-exchange adviser at Harris, Trust & Savings Bank in Chicago. Troy Bowler, an economist at Bank of Tokyo Capital Markets, said the Bundesbank was likely to pursue a policy of "benign neglect" and allow the mark to decline in an effort to underpin German exports. Against other currencies, the dollar eased to 107.73 yen on Tuesday from 108.205 on Monday but rose to 1.5090 Swiss francs from 1.5024 francs and to 5.9320 French francs from 5.9310 francs. The pound slipped to \$1.4728 from \$1.4820.

BANK: De Larosiere Wins EBRD Board's Support for Reorganization

Continued from Page 11 countries of operation into more developed and less developed portions. Although the new southern region does have several less developed countries, bank staffers pointed out that it also includes Hungary, arguably the most developed of all the EBRD's countries of operation. Bank insiders said that shortly after he took office in late September Mr. de Larosiere asked his two operations vice presidents, Mr. Freeman and Mr. Sarcinelli, to address the bank's organizational shortcomings. The reorganization now expected to be approved on Monday largely reflects the plans they submitted late last month to the president, who is a former head of the Bank of France as well as of the International Monetary Fund. By retaining both key vice presidents, Mr. de Larosiere has managed something of a coup. In July, Mr. Freeman said the bad come close to resigning over the reorganization that would have done away with his merchant-banking division. Insiders also stressed that the fact that both men have endorsed the sweeping change provides a major boost to morale for the EBRD's 650 staffers. "The fact that the new president has acted quickly on this is a good thing," one senior staffer said. Still to be heard from, however, is a task force set up last month to look into broader issues such as whether or not the EBRD should follow its mandate to devote 60 percent of its resources to the private sector. "The problem is that there is not a lot of private sector out there in a lot of our countries," one board member said.

WORLD STOCK MARKETS

Table of world stock markets including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Singapore, Stockholm, Tokyo, Toronto, Zurich, and various indices like Dow Jones, NYSE, and NASDAQ.



NYSE Most Actives

Table listing NYSE Most Actives with columns for Volume, High, Low, Last, and Change.

AMEX Most Actives

Table listing AMEX Most Actives with columns for Volume, High, Low, Last, and Change.

NYSE Diary

Table listing NYSE Diary with columns for Volume, High, Low, Last, and Change.

Amex Diary

Table listing Amex Diary with columns for Volume, High, Low, Last, and Change.

Previous NASDAQ Diary

Table listing Previous NASDAQ Diary with columns for Volume, High, Low, Last, and Change.

Dow Jones Averages

Table showing Dow Jones Averages for Industry, Standard & Poor's Indexes, NYSE Indexes, and NASDAQ Indexes.

AMEX Stock Index

Table showing AMEX Stock Index with columns for High, Low, Close, and Change.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages for 20 Bonds, Utilities, and Industrials.

Market Sales

Table showing Market Sales for NYSE 3 p.m. volume, NYSE 4 p.m. volume, and AMEX 3 p.m. volume.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. Odd-Lot Trading for Nov. 1, 2, and 3.

S&P 100 Index Options

Table showing S&P 100 Index Options for Nov. 1, 2, and 3.

Previous NASDAQ Diary

Table showing Previous NASDAQ Diary with columns for Volume, High, Low, Last, and Change.

EUROPEAN FUTURES

Table showing European Futures for Food, Cattle, and Hogs.

Stock Indexes

Table showing Stock Indexes for FTSE 100, Nikkei, and Hang Seng.

Industrials

Table showing Industrials for Gaseous, Chemical, and Metals.

Metals

Table showing Metals for Aluminum, Copper, and Zinc.

Spot Commodities

Table showing Spot Commodities for Corn, Soybeans, and Wheat.

Dividends

Table showing Dividends for various companies like Amgen and Amgen.

Financial

Table showing Financial for 3-Month Eurodollar, 6-Month Eurodollar, and 12-Month Eurodollar.

U.S. FUTURES

Table showing U.S. Futures for Grains, Metals, and Livestock.

Grains

Table showing Grains for Wheat, Corn, and Soybeans.

Metals

Table showing Metals for Gold, Silver, and Platinum.

Livestock

Table showing Livestock for Cattle and Hogs.

Stock Indexes

Table showing Stock Indexes for Dow Jones, NYSE, and NASDAQ.

Financial

Table showing Financial for U.S. Bills, Treasury Bonds, and Treasury Notes.

Food

Table showing Food for Coffee, Cocoa, and Sugar.

Stock Indexes

Table showing Stock Indexes for Dow Jones, NYSE, and NASDAQ.

Commodity Indexes

Table showing Commodity Indexes for Energy, Metals, and Grains.

U.S./AT THE CLOSE

Milacron to Acquire a Klöckner Unit

CINCINNATI (Bloomberg) — Cincinnati Milacron Inc. said Tuesday it would acquire a Klöckner Werke AG unit for \$55 million. Klöckner, based in Duisburg, Germany, agreed to sell its Ferromatik unit to Cincinnati Milacron, a maker of plastic processing equipment. Ferromatik, which makes machines for the manufacture of plastic products by injection molding, has 600 employees and annual sales of \$100 million. Cincinnati Milacron said it expected to close the acquisition in two weeks. Separately, Cincinnati Milacron said it planned to sell its Sano subsidiary, a supplier of blown and cast plastic-film systems. The unit has had a loss of more than \$3 million so far this year.

Ecuadorian Tribes to Sue Texaco

NEW YORK (Combined Dispatches) — Five Indian tribes in Ecuador intend to sue Texaco Inc. in federal court Wednesday, charging that the oil company has polluted the country's rain forest, a lawyer for the Indians said. Lawyers estimated in a statement that damages could exceed \$1 billion to cover both cleanup costs and compensation to individuals. Texaco officials were not immediately available for comment. The complaint alleges that Texaco, which extracted 220,000 to 250,000 barrels a day of oil from the Ecuadorian Amazon region from 1972 to 1992, had discharged more than 3,000 gallons of crude oil a day, causing "widespread devastation" of the rain-forest environment. Texaco turned over its Ecuadorian operation to the government last year. (Reuters, UPI)

Leading Indicators Point Upward

WASHINGTON (AP) — The government's economic forecasting gauge rose 0.5 percent in September, the Commerce Department said Tuesday, signaling moderate growth into 1994. The advance in the index of leading indicators followed a strong 0.9 percent gain in August. The index had been unchanged in July and up a slight 0.1 percent in June, so September marked the fourth month without a decline. The index is intended to forecast the economy six to nine months in advance. Tuesday's report fits analysts' estimates that the economy is now expanding at a moderate rate of about 3 percent.

Emerson Electric's Profit Rises 7%

ST. LOUIS (UPI) — Emerson Electric Co. said Tuesday its fourth-quarter net income rose 7 percent to a record \$180 million from \$167.9 million a year earlier. Sales rose 2.5 percent to \$2.04 billion. For the year ended Sept. 30, net income climbed to \$708.1 million from \$662.9 million in 1992. Sales rose to \$8.17 billion from \$7.70 billion. The company said international sales, including exports, rose modestly on the year, reflecting the addition of Fisher Controls International. Underlying international sales were down due to unfavorable exchange rates and recessions in Europe and Japan. The company said this more than offset solid sales gains in exports and developing Asia-Pacific countries.

Kmart Plans a Charge on Store Sale

TROY, Michigan (Combined Dispatches) — Kmart Corp. said Tuesday it would take a fourth-quarter pretax charge of about \$450 million related to its sale of 91 PACE membership warehouse stores to Wal-Mart Stores Inc. The retailer will receive about \$300 million from the sale of the stores to Sam's Club, the warehouse division of Wal-Mart. (Reuters, AP)

For the Record

Sega Enterprises Ltd.'s Sega of America unit said it had surpassed Nintendo as the leader in the American video-game business and projected its overall market share would be 56 percent in 1993. (Reuters) Capital Cities/ABC Inc. is not for sale, a spokesman said, denying a published report that the company's plan to buy back 12 percent of its shares meant it was a potential candidate for acquisition. (Reuters)

NASDAQ

Table of NASDAQ stock market data including various stock prices and indices.

# Damage Control at Volvo

**STOCKHOLM** — Managing Director Soren Gyll of Volvo AB, Sweden's largest company, promised Tuesday to try and soothe its angry shareholders after they forced it to postpone a key meeting called to approve a plan to merge with the state-owned French carmaker Renault.

The special shareholders' meeting will now be held on Dec. 7, four weeks after the original date of Nov. 9. "We have to judge what the exact position with shareholders is, so we understand them, then we could find out if something could be done," he said.

Mr. Gyll said Volvo had realized it must address both the issues of the privatization of the merged company and the "golden share" which Paris wants to keep in the company after it has been floated.

"At this moment we would like to give the market time enough to be updated on the issues and at the same time try to understand the reactions," he said, referring to widespread criticism by shareholders.

Both subjects could require moves from Paris, and Volvo is prepared to take them up with Renault and the French government. "If we find it necessary, we will go back to them," Mr. Gyll said.

Several of the dozen largest Volvo stockholders, who could effectively seal the long-term fate of Volvo when they vote at the meeting, gave a muted reaction to the delay.

"We are not ready to take a voting stance yet," said Gösta Stenberg, spokesman for the insurer Skandia, which controls 3.7 percent of the votes and 2.7 percent of the shares in Volvo.

For Renault's part, the French company said it understood Volvo's decision and was not worried that the delay would affect the timing of the merger, which is planned for Jan. 3, 1994. "We understand fully," a Renault spokeswoman said.

# Daimler Won't Rule Out Payout Cut

**BERLIN** — Daimler-Benz AG, Germany's largest company, has said it may cut its 1993 dividend so that stockholders share the sacrifices made by employees in the company's worst year since World War II.

Chairman Edzard Reuter had previously said that Daimler would try to hold the dividend unchanged, but on Monday he said in a radio interview that shareholders may have to suffer as well as the staff, which is being reduced by 49,000 of its 365,000 jobs.

"There has to be a sacrifice for all," he said, adding that the directors would seek to avoid "harsh disappointments" for shareholders who "have a right to receive a reasonable return on capital."

Daimler-Benz has paid a dividend of 13 Deutsche marks (\$7.70) a share since 1991. Such a dividend would require the company to pay out a total of 604 million DM (\$358 million). Daimler-Benz posted a loss of 949 million DM in the first half, in contrast to a profit of 965 million DM in the corresponding period of 1992.

"The company's shares fell 7 DM to 747.50 DM on Tuesday.

The dividend for 1993 will be decided at a board meeting next May 18.

# Output Fell In Month, Bonn Says

**Bonn** — West German industrial production fell by a larger-than-expected 2 percent in September from August, according to preliminary seasonally adjusted figures, the Economics Ministry said.

The ministry added that it expected the September decline to be revised to 2.2 percent when final data are released next month.

Analysis had been expecting a drop of 0.5 percent, according to a survey conducted by IMS International.

The seasonally adjusted industrial production index, which uses 1985 levels equal 100, fell to 110.3 in September from 112.5 in August.

On a two-month basis, which is less subject to short-term fluctuations, industrial production was up 0.5 percent in August and September from June and July and down 6.2 percent from a year earlier.

# U.K. Body Probes Shift in Valuations At Queens Moat

**LONDON** — The Royal Institution of Chartered Surveyors said Tuesday that it was investigating wide differences in valuations of hotel properties owned by Queens Moat Houses PLC, which announced huge losses and is seeking bank refinancing.

Clive Lewis, president of the surveyors' group, said he had ordered an investigation after Queens Moat announced Friday that a write-down of \$939 million (\$1.39 billion) on the value of its hotel properties had resulted in a £1.04 billion pretax loss for 1992.

Queens Moat said a surveying company had valued its hotel portfolio at £861 million as of Dec. 31, 1992. It said that was £1 billion less than a valuation it had been given in April by another company.

"I've never known a gap as big as this in a valuation," Mr. Lewis said. "The first thing we have to investigate is to see whether there has been a breach of regulations."

The board of Queens Moat has been largely replaced since the company requested a suspension of share trading on March 31 and stunned investors by saying it was expecting a big loss.

The group announced its 1992 loss and its negotiations for a refinancing Friday after advisers, accountants and valuers had spent seven months poring over the books to figure out how much money and assets Queens Moat had.

Queens Moat said Jones Lang Wootton, a surveying company it retained in June, had valued the hotel portfolio at £861 million.

But John Bristow, who was replaced as chairman of Queens Moat in August, said Friday that a different surveying firm, Weather, All, Green & Smith, had on April 1 valued the group's gross assets over the same period at £1.86 billion.

Mr. Lewis said the two surveying companies might have reached varying figures if they had been given different instructions by Queens Moat on what to value and how.

## Investor's Europe

Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	CBS-Trend	137.70	136.40	+0.85
Brussels	Stock-Index	7,064.30	7,036.28	+0.48
Frankfurt	DAX	2,095.58	2,062.12	+1.62
Frankfurt	FAZ	802.69	794.80	+1.02
Helsinki	HEX	1,568.43	1,554.68	+0.95
London	Financial Times 30	2,367.20	2,381.90	-0.20
London	FTSE 100	3,164.10	3,184.40	-0.01
Madrid	Generalf Index	308.46	308.41	+0.02
Milan	MIIB	1,278.00	1,285.00	-0.54
Paris	CAC 40	2,189.71	2,181.85	-0.36
Stockholm	Affarsvaeriden	1,717.12	1,720.77	-0.21
Vienna	Stock Index	483.78	480.52	+0.71
Zurich	SBS	932.69	925.18	+0.81

Sources: Reuters, AFP. International Herald Tribune

# LOBBY: Overseas Companies Solicit U.S. Firms to Represent Interests

**Continued from Page 1**

products and services in Japan. But a by-product is that governors and members of Congress, particularly those from states with Japanese plants, flock to Tokyo's side on certain important issues.

So do American businesses that have a stake in averting trade conflict. Meanwhile, the Washington lobbyists who used to twist arms on behalf of their foreign clients now quietly glean information from low-level officials and plot strategy to marshal Japan's new allies.

Other foreign companies and governments are following suit.

Boeing Co., for example, has become one of China's most reliable allies whenever Beijing finds itself fighting to keep its most-favored trading status. Chinese airlines regularly place orders with Boeing for aircraft valued at hundreds of millions of dollars.

When the Canadian timber industry wanted help last year fending off a proposed 14.5 percent tariff on lumber, the National Association of Homebuilders, a 165,000 member group that represents the American construction industry, stepped forward to help. The association's members complained that the duties would add hundreds of dollars to the cost of every new home built in the United States. In the end, the new tariff was set at 6.5 percent, although a proposal to raise it is pending.

"You have to find American allies," said Lance Morgan, an executive at a large Washington public relations and lobbying company that has advised the Canadians. Ten or 12 years ago, he said, lobbyists working for foreigners could make a few phone calls to a few officials and sway an issue. But now, he said, "No backroom deals. It has become wholesale politics, not retail relationships."

Of all foreign nations, Japan has the largest and most influential lobbying presence in Washington. From 1988 to 1992, Japanese interests hired more than 125 law firms, consultants and public relations firms, according to records the Justice Department keeps on lobbyists. That is not surprising, the United States is Japan's biggest export market.

The character of Japan's lobbying efforts began to take its present form in the mid-1980s, as the U.S. trade deficit with Japan climbed toward its record high of \$56.3 billion in 1987. That year, a furious Congress came close to imposing huge sanctions on Toshiba Machine Corp. for selling sophisticated machine tools to the Soviet Union.

The battle seemed lost until Toshiba and its Washington representatives mobilized a group of American companies with close ties to Japan to lobby on behalf of the Japanese company. Together they blocked the penalties.

"That was a watershed," said Mr. Massey, the former trade official. The Japanese quickly learned that "their most effective source of pressure was not from their lobbyists, but from IBM and the others who depended on the Toshiba components."

Members of Congress say they rarely see lobbyists representing Japan or most other foreign countries any longer.

# Riva Gets Nod on Eko Stahl

**Berlin** — The Treuhandanstalt privatization agency said Tuesday it had reached a provisional agreement to sell a 60 percent stake in the largest East German steel plant, Eko Stahl AG, to Riva Prodotti Siderurgici SpA, an Italian steel company.

Hans Kraemer, a member of Treuhand's management board, said the agency's decision was conditional on Riva agreeing to finance the construction of a hot-strip mill at Eko Stahl.

If no deal is finalized, however, Treuhand will continue to negotiate with other bidders, such as Hamburg Stahlwerke, Thyssen AG and Preussag AG, Mr. Kraemer said.

Under the accord, Treuhand will keep a 40 percent stake in Eko Stahl.

**Continued from Page 11**

lion by the Maoist Shining Path guerrilla movement, which had control of large parts of the countryside and the shantytowns surrounding Lima.

Within months, the armed authorities acted to reinforce his point. Last September, the anti-terrorist police captured Shining Path's founder and leader, Abimael Guzman Reynoso, and businessmen around the world that for more than a decade had been intimidated from investing in Peru because of the guerrilla activities took notice.

"A year ago we felt there was no future in Peru," said Carlos Bolona Behr, former economy minister and architect of many of Mr. Fujimori's economic changes. "We were losing the war against the Shining Path and Peruvians were sending their money and children outside just waiting for the government to fall. Now people are talking about Peru seriously for the first time in decades."

And Leonard Harris, general manager of Newmont Mining Corp.'s new Andean gold mine, added: "We're moving into boom times here in Peru. The day Guzman was caught, the country was attracted to the privatization program. China's steel state company paid \$120 million for its Peruvian equivalent, and promised to invest a further \$150 million for modernization and improvements."

More than two dozen concerns — including Phelps Dodge, Amex, Mitsubishi Corp., Mitsui & Co., RTZ, and Daewoo — have lined up to bid on the privatization of the two other state mining enterprises ATAT, GTE, and Southwestern Bell have said they will bid for Peru's two phone companies, to be sold early next year.

## NASDAQ

**Tuesday's Price**  
NASDAQ prices as of 3 P.M. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	Stk	High	Low	Lowest	Chg
24.00	23.00	AMGEN	0.10	0.9	22.0	14	30.00	23.50	25.00	+1.50
1.36	1.24	AMGEN	0.10	0.9	22.0	14	30.00	23.50	25.00	+1.50
1.07	0.98	AMGEN	0.10	0.9	22.0	14	30.00	23.50	25.00	+1.50

12 Month High	Low	Stock	Div	Yld	PE	Stk	High	Low	Lowest	Chg
1.08	1.00	AMGEN	0.10	0.9	22.0	14	30.00	23.50	25.00	+1.50
1.08	1.00	AMGEN	0.10	0.9	22.0	14	30.00	23.50	25.00	+1.50

12 Month High	Low	Stock	Div	Yld	PE	Stk	High	Low	Lowest	Chg
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12 Month High	Low	Stock	Div	Yld	PE	Stk	High	Low	Lowest	Chg
1.08	1.00	AMGEN	0.10	0.9	22.0	14	30.00	23.50	25.00	+1.50
1.08	1.00	AMGEN	0.10	0.9	22.0	14	30.00	23.50	25.00	+1.50

NYSE Tuesday's 3 p.m. Table with columns for High, Low, Last, and Change. Includes various stock listings.

12 Month High Low Stock Div Yld PE High Low Last Chg. Table with columns for High, Low, Last, and Change. Includes various stock listings.

Uzbeks Seek Money Union With Kazakhs

ASHKHABAD, Turkmenistan — Uzbekistan said Tuesday that it was talking steps to integrate its economy with that of neighboring Kazakhstan and that the two countries would issue a joint currency at an unspecified date.

The Uzbek deputy prime minister, Bukhar Hamidov, quoted by a foreign ministry spokesman, said at a news conference in the Uzbek capital, Tashkent, that Russia had attached unreasonable conditions to Uzbekistan's entry into a money zone.

INTERNATIONAL FUNDS

Large table of International Funds with columns for Fund Name, Share Price, and other details. Includes sections for Global Funds, Emerging Markets, and various regional funds.

AS - Australian Dollars; AU - Australian Schillings; BF - Belgian Francs; CA - Canadian Dollars; DM - Deutsche Marks; EC - European Currency Unit; FF - French Francs; ...

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

Handwritten Arabic text: كندا من الاصل



سكدا من الأمل

Vietnam Will Seek New Funds

HANOI — Vietnam, back in the international financial community after decades on the fringes, is about to request more than \$9 billion from governments and aid agencies for a series of development projects, the government says.

Hanoi will seek funding from 24 governments, mostly from the West and Asia, and from 17 international agencies, which have been invited to a conference in Paris on Nov. 9 and 10. The United States, which has eased but not lifted its economic embargo of Vietnam, has indicated that it would not attend.

A government report prepared for the conference indicates Hanoi is seeking contributions to 55 economic infrastructure projects costing \$7.5 billion, 17 social infrastructure plans costing \$1.8 billion and technical assistance programs worth \$220 million.

PLAYBOY: Expanding in Video

Continued from Page 11 Whatever its reputation on the embattled field of sexual politics, Playboy and its rabbit logo enjoy a product-recognition nearly as unique as Mickey Mouse ears. China is a case in point.

Japan Banks' New Course Muramoto Case Signals a Tightening

TOKYO — Analysts say the Muramoto Construction Co. bankruptcy case may mean Japanese bankers are becoming less lenient toward corporate borrowers who are verging on insolvency.

The company, whose bankruptcy filing Monday was the largest in postwar Japan, with debts and loan guarantees totaling 530 billion yen (\$4.88 billion), was effectively pushed into bankruptcy court when its major banks decided not to extend easier credit terms.

"In Japan, a lot of brain-dead companies have been kept alive on basic life support," said Walter Albert, a banking analyst with Merrill Lynch & Co. "Now, a bunch of banks have decided to pull the plug. It's not the first and certainly won't be the last."

Muramoto's troubles began after it made risky real estate investments in golf-course developments and other speculative ventures. The collapse of Japan's real estate market has dealt Muramoto and many other construction concerns a punishing

blow. Japanese construction companies are forecasting earnings declines of as much as 40 percent for the year ending March 1994. A further 20 percent decline in the following year isn't out of the question, according to analysts.

The banks had been sheltering debtors in the mistaken belief that an economic recovery, which would lift the fortunes of beleaguered companies, was imminent.

Complicating matters is a bribery scandal that has toppled several prominent business figures at such major construction companies as Shimizu Corp., Taisei Corp., Kajima Corp. and Hazama-Gumi.

It may be a while before things get better for the industry. Property prices in Tokyo have fallen 50 percent since 1990, which is one major reason that Japanese commercial banks have had debts of anywhere from 20 trillion to 30 trillion yen.

Hopewell to Spin Off Its Power Plants in 2 Asian Countries

HONG KONG — Hopewell Holdings Ltd. said Tuesday it planned to issue 1.275 billion shares at 10 dollars (\$1.30) each in a new company. Consolidated Electric Power Asia Ltd., which will comprise Hopewell power station projects in China and the Philippines.

The shares are to be listed early next month and sold through a public offering in Hong Kong and international placings.

CEPA Group's assets will include one power station in China and two in the Philippines, as well as one more partly completed plant in each country.

The deal will be made in two parts: 475 million fully paid Consolidated Electric shares and 800 million initially paid 50 percent of their value. The partly paid shares, which will not be listed on the Hong Kong Stock Exchange

Investor's Asia

Table with columns for Exchange, Index, Tuesday Close, Prev. Close, % Change. Includes data for Hong Kong Hang Seng, Singapore Straits Times, Tokyo Nikkei 225, etc.

MHS Makes Acquisition

KUALA LUMPUR — Malaysian Helicopter Services Bhd. said Tuesday it bought 24.9 percent of World Airways Inc., a U.S. air cargo and passenger charter operator and unit of World Corp., for \$27.4 million.

Asia Carmakers Look to Foreign Markets

More Protons For Europe

KUALA LUMPUR — Malaysia's national car company, Perusabean Otomobil Nasional Bhd., known as Proton, plans to start exporting cars to Continental Europe by the middle of 1994, company officials said Tuesday.

Nissan Lifts U.S. Output

TOKYO — Nissan Motor Corp. said Tuesday it would try to counter a serious sales slump at home by boosting car and pickup truck production in the United States, where the market appears to be stronger.

Taipei Shares Rise on Reform Talk

TAIPEI — Plans to ease restrictions on foreign investment in the Taipei stock exchange sparked hopes of a major inflow of foreign funds and helped lift the bourse more than 2 percent Tuesday.

Very briefly:

- Korea Heavy Industries & Construction Co. won a \$476.4 million contract from Saudi Arabia to build a desalination plant...
• Japan's international trade and industry minister, Hiroshi Kumagai, called for an end to restrictions that hamper the opening of big retail stores...
• World International (Holdings), the real estate, trading and investment group, sold \$83 million Hong Kong dollars (\$64.7 million) of seven-year bonds at 99.35 dollars each...
• Japan's production of color TV sets fell 2.1 percent in September, and output of videocassette recorders dropped 20 percent in the month...
• China expects to become the world's No. 2 beer producer after the United States this year, as output reaches 12 million metric tons...
• Delta Caravelle Hotel is now under construction in Ho Chi Minh City; the 22-story building, a joint venture between Saigon Tourism and Chains International Ltd. of Singapore, is to be Vietnam's tallest...
• China Xueqiu Co., a Guangzhou refrigerator maker, will become the south China city's second company to list on the Hong Kong Stock Exchange; the size and timing of the issue were not disclosed...
• Marubeni Corp. will set up a joint venture factory in Vietnam with that country's state cement company and Lafarge Colson SA of France.

CURRENCY AND CAPITAL MARKET SERVICES. CURRENCY MANAGEMENT CORPORATION PLC. Winchester House, 77 London Wall - London EC2M 5ND. Tel: 071-582 9745 Fax: 071-582 9487.

AMEX

Tuesday's 3 p.m. Tables include the nationwide prices up to the closing on Wall Street; and do not include trades elsewhere. Via The Associated Press

AMEX market data table with columns for High, Low, Stock, Div, Yld, PE, 52 High, 52 Low, Last, Chg.

Market data table with columns for High, Low, Stock, Div, Yld, PE, 52 High, 52 Low, Last, Chg.

Market data table with columns for High, Low, Stock, Div, Yld, PE, 52 High, 52 Low, Last, Chg.

Market data table with columns for High, Low, Stock, Div, Yld, PE, 52 High, 52 Low, Last, Chg.

Market data table with columns for High, Low, Stock, Div, Yld, PE, 52 High, 52 Low, Last, Chg.

Market data table with columns for High, Low, Stock, Div, Yld, PE, 52 High, 52 Low, Last, Chg.





OBSERVER

The Wrong Signal

By Russell Baker
NEW YORK — You get the impression the Clintons wish somebody — anybody — would step in and take this health-care thing off their hands.

a red, white and blue card no bigger than your credit card. This little card, he suggested, would make the splendor of American medicine available bureaucracy-free to all.

By Mike Zwerin
PARIS — This oddly heroic smack-soaked laid-back 1950s West Coast jazz and its cool '60s European equivalent that I am listening to evokes memories of the bad old days when Woody Herman went on tour with something like 12 junkies in a 16-piece band and the bus stopped for codeine cough syrup at every second drugstore along the way.

The story starts in the summer of 1952 when Charlie Parker played the Tiffany Club in Hollywood and auditioned trumpeters to fill Dizzy's and Miles's chairs. There were good ones in L.A., like Howard McGhee and the Candi brothers, but Bird chose the unknown 23-year-old Chet Baker, just released from the army, who joined him in the front line of a quintet that toured the West for several months.

Claxton, who was in town last week to promote his book, tells how Chet Baker taught him the meaning of photography. "After the first night of the Tiffany, I developed the film at home. I saw his fantastic face coming out behind Bird in the tray. I hadn't thought much about the way Chet looked before. He reminded me of a young prizefighter, a strange combination of pretty boy and tough. Later I realized that beautiful women do not always photograph well, while an ordinary looking girl can be striking on film."

He recalls the Tiffany Club: "On closing night, I found myself with Bird and Chet and four friends of mine on the sidewalk at 4 A.M. My friends were all fans of Bird, we could all scat-sing his solos. I was going to UCLA. Bird said, 'Let's get something to eat.' He was clean, fat and healthy then. Chet went off somewhere with a pretty blonde. Chet always smiled sweetly at you and then did exactly what he wanted to do. He was selfish in the way children are selfish."

He ends his album with a short essay on his subject's androgyny: "I often heard my subject Chet was too effeminate to be either a man or a woman. It always seemed to me that men who were worried about their sexuality couldn't stand Chet Baker. Men who were assured of themselves loved his sensitive side. And all the time it was just an artist pouring his heart out."



William Claxton (inset) and one of his photos of the young Chet Baker.

PEOPLE

Thousands Mourn Fellini

Thousands turned up Tuesday at Cinecittà studios, the Rome suburb, to pay their last respects to Federico Fellini, who died Sunday. The director's coffin lay in state in a chapel in Studio Five, where he shot many of his greatest films.

Christopher Reeve went for celebrity and money in accepting the title role in "Superman" and sequels. But in his other roles he has sought artistic satisfaction.

Crystal Gayle will sing a song specially written for the occasion when she performs in Washington at the dedication of the Vietnam Women's Memorial.

Don't bother looking for blue jeans in Ross Limbaugh's closet. They make a political statement he doesn't agree with.

Boy George denied in a London court that he had fathered the 7-year-old son of a woman living in the United States.

INTERNATIONAL CLASSIFIED
Appears on Pages 7 & 8

WEATHER

Forecast for Thursday through Saturday, as provided by Accu-Weather.



Table with weather forecasts for Europe, North America, Middle East, Latin America, and Oceania.

Asia

Table with weather forecasts for Asia.

North America
Chicago 27/20 27/20 27/20 27/20
New York 27/20 27/20 27/20 27/20

CROSSWORD

ACROSS
1 A son of Jephthah
6 Saturn's wife
8 Poop, e.g.

Solution to Puzzle of Nov. 2

MIOS GAEL NOV. 2
ALAMO ARNO OMER
ALVIN SIGN BALL
CAMPAIGN NON
PESITA SMERING
ONA ALP ERMA
SOFA PROE ANGLE
ELECTION RETURNS
RADAR HOER PAST
GIAU OAN PIE
PREDIGAS TIGHTS
ERA BRITPOLL
DIVA IYER LEASE
ACID MONO EASEL
LADE ARW SNAICK

AT&T Access Numbers

Table listing AT&T access numbers for various countries like ANDORRA, ARMENIA, AUSTRIA, etc.

"I wonder if the little guy had fun today?"



Sharing the day's events with loved ones back in the States has never been easier. Whenever you're away, simply dial the AT&T access number of the country you're calling from...



سكوا من الأصل